2

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

PAID UP OIL AND GAS LEASE (No Surface Use)

A Single Drisen

day of _______, 2008, by and between

whose addresss is /63/ E. and, DALE PROPERTY SERVICES, L., hereinabove named as Lessee, but all o		Dallas Texas 75201, as Lessi	ee. All printed portions of this lease we	as Lessor, ere prepared by the party
 In consideration of a cash to described land, hereinafter called leased 		herein contained, Lessor here	by grants, leases and lets exclusively	to Lessee the following
ACRES OF LAND, OUT OF THE Belowent Fort Westle	MORE OR LESS, BEING LOT	(S) <u>/2</u>	, BLOO ADDITION, AN ADDITION ORDING TO THAT CERTAIN	OK /3 N TO THE CITY OF
IN VOLUME 309	, PAGE50	OF THE PLAT REC	CORDS OF TARRANT COUN	TY, TEXAS.
in the County of Tarrant, State of TE) reversion, prescription or otherwise), fo substances produced in association th commercial gases, as well as hydrocert land now or hereafter owned by Lessor Lessor agrees to execute at Lessee's recof determining the amount of any shul-in	r the purpose of exploring for, developerewith (including geophysical/seismin on gases. In addition to the above-de which are contiguous or adjacent to the quest any additional or supplemental in	ping, producing and marketing c operations). The term "gas escribed leased premises, this is above-described leased premistruments for a more compiete	" as used herein includes helium, ca lease also covers accretions and any : nises, and, in consideration of the efor or accurate description of the land so c	on and non hydrocarbon arbon dioxide and other small strips or parcels of ementioned cash bonus, covered. For the purpose
as long thereafter as oil or gas or other s otherwise maintained in effect pursuant t	o the provisions hereof, substances produced and saved here s, the royally shall be **Torcar's dit at the oil purchaser's transportation g in the same field (or if there is no star grade and gravity, (b) for gas (if (35 %) of the proceeds real)	ed in paying quantifies from the punder shall be paid by Lessee (\$\frac{5}{2}\$) n facilities, provided that Lessee such price (hen prevailing in the nocluding casing head gas) an ized by Lessee from the sale	leased premises or from lands pooled to Lessor as follows: (a) For oil and o %) of such production, to be deliver a shall have the continuing right to purce same field, then in the nearest field d all other substances covered here thereof, less a proportionate part of	other liquid hydrocarbons ed at Lessee's option to chase such production at in which there is such by, the royalty shall be of ad valorem laxes and
Lessee shall have the continuing right to no such price then prevailing in the sam the same or nearest preceding date as the more wells on the leased premises or later walting on hydraulic fracture stimulated deemed to be producing in paying quithere from is not being sold by Lessee, Lessor's credit in the depository designs while the well or wells are shut-in or provisioning cessation of such operations of terminate this lease.	purchase such production at the preva- e field, then in the nearest field in which he date on which Lessee commences and pooled therewith are capable of eit- ion, but such well or wells are either sh- pantities for the purpose of maintaining then Lessee shall pay shut-in royally ted below, on or before the end of sal- juction there from is not being sold by sell or wells on the leased premises or r production. Lessee's failure to propo-	alling wellhead market price paich there is such a prevailting pricits purchases hereunder; and (other producing all or gas or other but-in or production there from is pair this lease. If for a period of 90 of one dollar per acre then cood 90-day period and thereafter Lessee; provided that if this leal lands pooled therewith, no shuerly pay shut-in royalty shall re-	d for production of similar quality in the ce) pursuant to comparable purchase of c) if at the end of the primary term or a ser substances covered hereby in paying anot being sold by Lessee, such well or 00 consecutive days such well or wells vered by this fease, such payment to it on or before each anniversary of the else is otherwise being maintained by option royalty shall be due until the end other Lessee liable for the amount due,	e same field (or if there is contracts entered into on my time thereafter one or g quantitles or such wells r wells shall nevertheless are shut-in or production be made to Lessor or to end of said 90-day period perations, or if production of the 90-day period next but shall not operate to
be Lessor's depository agent for receivin draft and such payments or tenders to L address known to Lessee shall constitute payment hereunder, Lessor shall, at Lessor shall can be such as provided for in Paragraphina and to the provisions of Paragraphinavertheless remain in force if Lessee con the leased premises or lands pooled the end of the primary term, or at any though the end of the primary term, or at any though the end of the primary term, or at any though the end of the primary term, or at any though the end of the primary term, or at any though the end of the primary term, or at any though the end of the primary term, or at any though the end of the primary term, or at any though the end of the primary term, or at any the end of the primary term, or at any the end of the end of the primary term, or at any the end of the end of the primary term, or at any the end of the end of the primary term, or at any the end of the end of the primary term, or at any the end of the end of the end of the primary term, or at any the end of the end of the primary term, or at any the end of the end of the primary term, or at any the end of the end of the primary term, or at any the end of the end of the primary term, or at any the end of the end of the primary term, or at any the end of	g payments regardless of changes in the assor or to the depository by deposit in a proper payment. If the depository shake's request, deliver to Lessee a proper payment, deliver to Lessee a proper payh 3, above, if Lessee drills a well wilf all production (whether or not in pain 6 or the action of any governments ornmences operations for reworking an otherwith within 90 days after completion therewith within 90 days after completion or restore production therefrom, this dease, and if any such operations refrom the leased premises or lands pooled to formations then capable of producing rainage by any well or wells located on ided fierein.	he ownership of said land. All pin the US Mails in a stamped en outd liquidate or be succeeded er recordable instrument naming thich is incapable of producing injug quantilities) permanently or all authority, then in the event in existing well or for drilling an all on of operations on such dry howe being maintained in force lease shail remain in force so lesset in the production of oil or gled therewith as a reasonably prudeg in paying quantities on the least other lands not pooled therewith and pooled ther	nvelope addressed to the depository or by another institution, or for any reaso g another institution as depository agen in paying quantities (hereinafter called the eases from any cause, including a revelope this lease is not otherwise being may additional well or for otherwise obtaining to within 90 days after such cessality but Lessee is then engaged in drilling ong as any one or more of such operations as or other substances covered here of a well capable of producing in paying and operator would drill under the same assed premises or lands pooled therew lith. There shall be no covenant to drill	rrency, or by check or by to the Lessor at the last on fall or refuse to accept all to receive payments. "dry hole") on the leased vision of unit boundaries intained in force it shall g or restoring production of all production. If at , reworking or any other ions are prosecuted with by, as long thereafter as ng quantities hereunder, or similar circumstances vith, or (b) to protect the exploratory wells or any
	not the obligation to pool all or any parabstances covered by this lease, either elop or operate the leased premises, will which is not a horizontal completion to the property of a maximum acreage toter gor density pattern that may be prescing or density pattern that may be prescing as well" shall have the meanings promitted gas-oil ratio of less than 100,00 our production lest conducted under repletion" means an oil well in which though grights hereunder, Lessee shall fill may anywhere on a unit which include included in the unit bears to the total gas shall not exhaust Lessee's pooling it contraction or both, either before or at matal authority having jurisdiction, or to of record a written declaration described from the unit by virtue of such revisit of production in paying quantilities from	er before or after the commence whether or not similar pooling au shall not exceed 80 acres plus rance of 10%; provided that a latitude of permitted by any gover rescribed by applicable law or 100 cubic feet per barrel and "gas normal producing conditions the horizontal component of the le of record a written declarations all or any part of the leased sich Lessor's royalty is calculate pross acreage in the unit, but or tights hereunder, and Lessee sitter commencement of production conform to any productive acring the revised unit and stalling ton, the propontion of unit product a unit, or upon permanent cess	thority exists with respect to such other a maximum acreage tolerance of 10% inger unit may be formed for an oit well unrental authority having jurisdiction to the appropriate governmental authority, a well means a well with an initial gascising standard lease separator faciliting gross completion interval in faciliting gross completion interval in the reservent describing the unit and stating the expression promises shall be treated as if it were described to the extent such proportion of unity to the extent such proportion. To the extent such proportion of unity to the extent of the such proportion of unity to the extent of the proportion of unity the unity the proportion of unity the proportion of unity the unity the unity the proportion of unity the unity the unity the proportion of uni	e deems it necessary or rands or interests. The or rands or interests. The or gas well or a or gas well or horizontal do so. For the purpose, or, if no definition is so oil ratio of 100,000 cubic es or equivalent testing es or equivalent testing our exceeds the vertical effective date of pooling, re production, drilling or mit production which the hit production is sold by obligation to revise any acing or density pattern remmental authority. In swhent any portion of the product shall thereafter

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable bereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in

of the leased premises or lands pooled therewith shall be reduced to the proportion that tessor's interest in such part of the leased premises.

3. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lassee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly esparately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be refleved of all obligations hereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of separately in projection to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to

pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the rel acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be refleved of all obligations thereafter arising with respect to the interest so released.

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or lender shut-in royalties shall be proportionately reduced the proportionately reduced.

in accordance with the net acreage interest retained hereunder.

If Lessee releases all or an undivided interest relatined hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egrees along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, carales, pipellines, tanks, water walts, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or thansport production. Lessee may use in such operations, fire of cost, any oil, gas, water and/or other substances produced on the leased premises except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial limber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of (this fease or writin a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable lews, rul

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lesser hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend tille conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished salisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that off and gas lease payments, in the form of rental, bornus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's

helrs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor. LESSOR (WHETHER ONE OR MORE) Ameri Me Deal By: ANNIE ME NEAL By: ACKNOWLEDGMENT TE OF TOTAL COUNTY OF day of 2000. 001500 JASON SCOTT **Notary Public** Texas Notary Public, State of STATE OF TEXAS Notary's name (printed): Jison , 5 to Notary's commission expires: 4//1///2 My Comm. Exp. Apr. 17, 2012 STATE OF COUNTY OF This instrument was acknowledged before me on the 2D08. day of Notary Public, State of

> Notary's name (printed): Notary's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

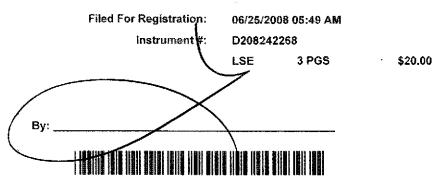
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING</u> - THIS IS PART OF THE OFFICIAL RECORD.



D208242268

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: CN